GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1067
ANSWERED ON:23.11.2001
FISCAL DEFICT Q U E S T I O N .
SURESH KURUP;TARIT BARAN TOPDAR

Will the Minister of FINANCE be pleased to state:

(a)whether the fiscal deficit is increasing alarmingly and the Union Government is unable to manage the present situation;

(b)if so, the actual fiscal deficit at present and corresponding position during the last two years;

(c)the steps taken or being taken to reduce the fiscal deficit in a phased manner; and

(d)the extent to which the Union Government have been successful in handling the fiscal deficit?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) & (b) As per the Controller General of Accounts, thefiscal deficit for the period April-September 2001 at Rs.57262 crore shows an increase of 34.4 per cent over similar period during the previous year. The fiscal deficit during corresponding period during 1999-2000 and 2000-01 is Rs.52395 crore and Rs.42592 crore respectively.

(c) & (d) The Government is conscious of the need for better fiscal management to contain non-plan revenue expenditure and increase revenue receipts. With a view to achieve fiscal consolidation, the Budget for 2001-02 emphasises expenditure management through the process of bringing about structural changes in the composition of Central Government expenditure, economy in non-plan revenue expenditure while improving the quality of expenditure. To this end the Budget contains a number of initiatives which among others include restricting fresh recruitment to one per cent of total civilian staff strength, revision in user charges for services provided by the government and its agencies keeping in view the increased cost of these services etc. Further, with a view to reduce interest burden, most administered interest rates were reduced by 1.5 per cent as of March 1, 2001. Besides, the FiscalResponsibility and Budget Management Bill, 2000 was introduced in Parliament in December 2000.This Bill includes provisions relating to ceilings on debt, deficit and borrowing.